

## Simplifying the Complex: Valuing Mixed-Use Properties in a Mass Appraisal Environment

Historically, developers and property owners focused on one type of asset class, and they set the characteristics of the real estate markets. Office buildings are often clustered in downtown cores and employment zones. Retail focused exclusively on retail development and can be seen in the growth of malls and power centers. Multi-family and hotels all developed in isolation. Today, demands of the local market, coupled with government policies to intensify, have resulted in properties that blend these varied uses. People want the convenience of being able to live, work, and shop in one location and real estate developers have responded. As properties continue to evolve to meet these demands, valuers are faced with significant challenges.

By definition, mixed-use properties are unique; certain projects are developed over many years and market evidence may be limited during these periods. Appraisals need to consider the various influences and contributions to establish the property value. If this was the only goal for an assessing authority, then it would be reasonably straight-forward. However, jurisdictions must also balance equity and ensure that valuation approaches and methodologies are consistently applied through the development cycle and beyond. This is where mass appraisal and a collaborative approach with all stakeholders comes in. However, when dealing with mixed-use properties, how does one ensure accuracy while maintaining consistency and minimize assessment loss due to appeals?



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Lee plays a leading role in the research and development of valuation practices for retail and shopping centre properties in Ontario and has extensive experience in assessment appeal support and valuation training. Lee is a Certified Assessment Evaluator (CAE) with the International Association of Assessing Officers, an accredited member of the Institute of Municipal Assessors (M.I.M.A.) and has a Certificate in Real Property Assessment from the University of British Columbia.